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PSC WON'T RECONSIDER KENTUCKY-AMERICAN WATER RATES

Requests for rehearing raised no new issues, Commission says

FRANKFORT, Ky. (March 30, 2005) – The Kentucky Public Service Commission (PSC) today declined to reconsider its decision, issued Feb. 28, 2005, regarding new rates for the Kentucky-American Water Co.

Kentucky-American asked for reconsideration of aspects of the PSC decision, as did two parties to the case, the Lexington-Fayette Urban County Government and the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.

Kentucky-American had sought to raise its annual revenues from water sales by about \$6.62 million. The PSC allowed an annual increase in revenue from water sales of \$3.61 million.

In its petition for a rehearing, Kentucky-American sought to restore about \$4.1 million in costs – most of them to be recovered over several years - that had been disallowed by the PSC.

The Urban County Government asked the PSC to reconsider the rates established for public fire protection (fire hydrants). The Community Action Council sought rehearing of the PSC's rejection of a \$2.11 monthly discount for low-income customers, which the PSC had ruled was prohibited by state law.

In denying all the rehearing requests, the PSC said none had met the required standard of raising new issues and presenting new evidence that could not have reasonably been brought forth during the original rate case.

Today's order and other documents in the case are available on the PSC Web site, psc.ky.gov. The case number is 2004-00103.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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